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SPECIAL ISSUE



Lago Launches New Pension Plan

New Lago Contributory Plan Provides Six Major Benefits For Staff - Regular Employees

A New contributory pension plan has been provided for staff and regular employees of Lago Oil and Transport Company, Limited.

The new plan is entirely voluntary. Each employee electing to participate will contribute four per cent (4%) of his salary. Lago will pay the additional, necessary cost of the plan.

To insure that all employees have a thorough understanding of the new benefits available, Lago has been conducting special information sessions for all florin-paid employees.

As additional reference material and to answer employee questions, this special issue of the Aruba Esso News has been prepared.

BACKGROUND OF NEW PLAN

The adoption of the new pension plan meets a commitment made during last year's contract negotiations. At that time, it was decided that a joint management-union committee would study and develop means of improving pension benefits through a contributory plan. To advise this committee, Lago engaged the services of an expert consultant in the pension and benefits field from the United States.

Coverage under the new plan is retroactive to Jan. 1, 1965.

MAJOR IMPROVEMENTS

Major improvements resulting from the joint contribution include: (See Chart No. 1)

(Continued on page 2)

Lago Su Plan Nobo Contributorio Ta Duna Seis Beneficio Principal Pa Empleadonan

Un plan di pension contributorio nobo a ser desaroyá pa empleadonan staff y regular di Lago Oil & Transport Co., Ltd.

E plan nobo ta completamente voluntario. Cada empleado cu ta desea di participa lo mester contribui 4% di su salario. Lago lo paga e costo adicional cu ta necesario pa e Plan.

Pa asegura cu tur empleadonan lo tin un profundo comprehendemento di e beneficionan cu ta disponibel, Lago ta conduciendo reunionan special informativo pa tur empleadonan pagá na florin.

Como material di referencia adicional y pa duna contesta ariba preguntanan di empleado-

nan, e edicion special aki di Aruba Esso News a ser prepará.

PASADO HISTORIA

Aceptacion di e plan di pension nobo ta cumpli cu un compromiso hací durante e negociacionnan di contract anja pasá. Na e tempo ey, a ser decidí cu un comite conhunto di gerenciaunion lo studia y desaroya medianan pa mehora beneficionan di pension mediante un plan contributorio. Pa duna conseho na e comite, Lago a busca e servicio di un consultante experto den terreno di pension y beneficionan for di Estados Unidos.

E plan nobo ta cubri participantenan retroactivo te Jan. 1, 1965.

MEHORACIONNAN PRINCIPAL :

Mehoracionnan principal cu ta resulta for di contribucionnan conhunto ta inclui: (Mira Chart No. 1)

BENEFICIONAN PRINCIPAL NOBO

1. Pasado Servicio Basá ariba Pago di 1964
2. Servicio pa Futuro Aumentá for di 1½ % pa 2%
3. Aseguro Medico Pa Pensionista y Esposa
4. Aseguro di Bida en Grupo
5. Seis Anja di Pension Garantizada
6. Abono Temporario

Chart No. 1

KENDE TA ELIGIBEL PA PARTICIPA?

Cualquier empleado permanente pagá na florin ta eligibel pa participa den e plan di pension contributorio.

(Continua na pagina 2)



Edad 25: Pension Nobo? Mi ta pensé mas despues.

Edad 35: Mi mester a join. Mi mester drenta awor.

Edad 45: 20 aña a pasa y nada wardá pa mi pension.

Edad 55: Cinco aña mas! Pa biba wardá pa mi pension bieuw?

Edad 60: Plan Nobo lo a duna mi cu pension bieuw?
Fls. 100 of mas pa luna.

(Pension Plan Continued)

WHO CAN PARTICIPATE?

Any permanent florin-paid employee is eligible to participate in the new contributory pension plan.

ENROLLMENT PERIOD

Employees will have until May 31, 1965 to sign up for the increased benefits of the new plan.

WHO RETIRES UNDER NEW PLAN?

In order to receive pension under the new plan, it is necessary to attain annuitant status.

WHAT EXACTLY IS MEANT BY ANNUITANT STATUS?

To attain annuitant status, an employee must:

- Retire at normal age (60 years) with fifteen (15) or more years of service.
- Retire under special conditions at the employee's own request. To be able to do this, the employee must be at least fifty-five (55) years old and must have twenty-five (25) years of service.

(c) Retire under special conditions at company request. In this case, the employee must be fifty (50) years old and have fifteen (15) or more years of service.

(d) Retire with a disability pension. Any employee with fifteen years service who is permanently disabled may qualify for annuitant status regardless of age. This employee receives a full, undiscounted pension.

(e) In addition, retirement must be in accord with the Lago retirement policy in effect when he leaves the company's service. (See Chart No. 2)

WHAT EXACTLY ARE THESE NEW BENEFITS?

1—Pension credits for past service have been increased for $1\frac{1}{2}\%$ of career earnings to $1\frac{1}{2}\%$ of 1964 earnings.

EXPLANATION: Previously, pension credits were calculated on the basis of $1\frac{1}{2}\%$ of career earnings. For service prior to Sept. 1, 1948, the salary rates in effect on Aug. 31, 1948 were used. For service after Sept. 1, 1948, $1\frac{1}{2}\%$ of actual earnings were used.

Under the new plan, all pension credits for service prior to Jan. 1, 1965 will be calculated on the basis of $1\frac{1}{2}\%$ of 1964 earnings minus Fls. 1320 per year of service. (See Chart No. 3)

2—Pension credits for all service after Jan. 1, 1965 have been increased from $1\frac{1}{2}\%$ to 2%.

EXPLANATION: Under the new

plan, pension credits for service after Jan. 1, 1965 will be calculated on the basis of 2% of career earnings minus Fls. 1320 per year of service, instead of $1\frac{1}{2}\%$ as had been the case under the old plan. (See Chart No. 4 on page 3.)

3—Group Life Insurance. This is in addition to any group or personal insurance the employee has presently.

EXPLANATION: The new plan provides for life insurance coverage for the active employee. Initially, the employee contribution made available for purchasing insurance will buy Fls. 8,800, to be paid to a beneficiary. This is in addition to Lago's present survivor benefits and any other insurance coverage the employee now has.

Any employee whose present salary is more than Fls. 8,800 per year may increase his insurance — at the same rate per thousand florins of insurance — to equal one year's salary. (See Chart No. 5 on page 3)

4—Annuitant insurance which includes medical expense benefits for annuitant and his wife.

EXPLANATION: Employees retiring under this new plan may also subscribe to annuitant insurance. This insurance coverage is equivalent to amount of insurance in force on the last day of work. One year after normal retirement (age 60) the insurance

(Continued on page 3)

Annuitant Status

1. Normal Retirement

Age 60 - 15 or More Years Service

2. Special Retirement - Employee's Request

Age 55 - 25 or More Years Service

3. Special Retirement - Company's Discretion

Age 50 - 15 or More Years Service

4. Disability Retirement

15 or More Years Service

Chart No. 2

(Continuacion Plan di Pension)

PERIODO INICIAL DI REGISTRACION

Empleadonan lo tin te Mei 31, 1965 pa firma pa e beneficionan aumentá di e plan nobo.

KENDE POR RETIRA CU PENSION BAO E PLAN NOBO?

Pa por recibi pension bao e plan nobo, ta necesario pa atene estado di pensionista.

KIKO EXACTAMENTE TA NIFICA ESTADO DI PENSIONISTA?

Pa atene estado di pensionista, un empleado mester:

(a) Retira cu pension na edad normal (60 anja) cu diezcinco (15) of mas anja di servicio.

(b) Retira bao condicionnan especial ariba peticion di e empleado mes. Pa por haci esaki, e empleado mester tin por lo menos cincuenta y cinco (55) anja di edad y mester tin binti-cinco (25) anja di servicio.

(c) Retira cu pension bao condicionnan special ariba peticion di compania. Den e caso aki, e empleado mester tin cincuenta (50) anja di edad y tin diezcinco (15) anja of mas di servicio.

(d) Retira cu pension pa Desabilidad. Cualquier empleado cu tin diezcinco (15) anja di servicio cu ta permanente incapacitá por cualifica pa estado di pensionista, no obstante su edad. E empleado aki ta recibi un pension completo, sin descuento.

(e) Ademas, su retiro cu pension mester ta di acuerdo cu Lago su póliza di pension na vigor ora el ta laga servicio di compania. (Mira Chart No. 2)

ESTADO DI PENSIONISTA

- Edad Normal di Pension
Edad 60 y 15 of mas anja di servicio
- Pension Special — Ariba Peticion di Empleado
Edad 55 y 25 of mas anja di servicio
- Pension Special — Ariba Huzgamento di Compania
Edad 50 y 15 of mas anja di servicio
- Pension pa Motivo di Desabilidad
15 of mas anja di servicio.
(Chart No. 2)

KIKO EXACTAMENTE TA E BENEFICIONAN NOBO AKI?

1. Credito di pension pa servicio pasado a ser aumentá for di $1\frac{1}{2}\%$ di ganamento durante pasado servicio pa $1\frac{1}{2}\%$ di ganamento di 1964.

SPLICACION: Anteriormente, credito di pension tabata ser calculá ariba base di $1\frac{1}{2}\%$ di ganamento durante servicio pasado. Pa servicio promer cu Sept. 1, 1948, e tarifanan di salario na vigor ariba Aug. 31, 1948 tabata ser usá. Pa servicio despues di Sept. 1, 1948, $1\frac{1}{2}\%$ di ganamento na vigor a ser usá.

Bao e plan nobo, tur credito di pension pa servicio promer cu Jan. 1, 1965 lo ser calculá ariba base di $1\frac{1}{2}\%$ di ganamento di 1964 menos Fls. 1320 pa anja di servicio. (Mira Chart No. 3)

Retirement Income - Past Service

(1964 Total Compensation — Fls. 1320) x

$1\frac{1}{2}\%$ x

Years of Service Before 1-1-1965

Chart No. 3

ENTRADA DI PENSION — SERVICIO PASADO

(Compensacion Total pa 1964 menos

Fls. 1320) x

$1\frac{1}{2}\%$ x

anjanan di servicio promer cu

1/1/1965

(Chart No. 3)

FUTURO SERVICIO

(Despues di 12/31/64)

Base Anual

(Ganamento Anual menos Fls. 1320) x 2%

Base Mensual

(Ganamento Mensual menos Fls. 110) x 2%

(Chart No. 4)

2. Credito di pension pa tur servicio despues di Jan. 1, 1965 a ser aumentá for di $1\frac{1}{2}\%$ te 2%.

SPLICACION: Bao di e plan nobo, credito di pension pa servicio despues di Jan. 1, 1965 lo ser calculá ariba base di 2% di ganamento durante servicio menos Fls. 1320 pa anja envez di $1\frac{1}{2}\%$ manera tabata e caso bao e plan bieuw. (Mira Chart No. 4)

3. Aseguro di bida en grupo. Esaki ta en adicon na cuaquier aseguro en grupo of personal cu e empleado tin actualmente.

SPLICACION: E plan nobo ta percura pa e empleado den servicio activo ser cubri pa aseguro di bida. Inicial-

mente, e contribucion di empleado poní disponibel pa cumpra aseguro lo cumpra Fls. 8800 na aseguro, cual lo ser paga na un beneficiario. Esaki ta en adicon na e beneficionan pa sobreviviente cu Lago tin actualmente y cuaquier otro aseguro pa cual e empleado ta cubri awor.

Un empleado kende su salario actual ta mas cu Fls. 8800 pa anja, por aumenta su aseguro na mes tarifa pa Fls. 1000 di aseguro te na e suma igual na un anja di salario. (Mira Chart No. 5 na pagina 3)

(Continua na pagina 3)

(Pension Plan Continued)

decreases by ten per cent (10%) per year until it reaches fifty per cent (50%). At age 65, the annuitant can have insurance coverage equal to 50% of the amount he had on his last day of work. (See Chart No. 6 on page 6)

Twenty five per cent (25%) of the annuitant insurance coverage may be used by the annuitant and his wife to cover medical expenses during his lifetime after retirement. An explanation of the kinds of medical expense covered and the amounts of reimbursement will be issued in the future. The 25% is based on the insurance in effect at

the time of retirement and is not affected by the 10% reduction per year after age 60. (See Chart No. 7 on page 6)

5 — Guaranteed pension for six years.

EXPLANATION: Under the new plan, if an annuitant dies before having collected six years of pension payments, referred to in items No. 1 and No. 2, the remaining payments will be paid to his survivors. The old plan does not include this guarantee (See Chart No. 8 on page 6)

6 — Temporary allowance payable

for life from retirement until General Old Age Insurance (GOAI) comes into effect.

EXPLANATION: To further supplement the annuitant's income, a temporary allowance is added to his pension between retirement and age 65 (under present law). At age 65 this temporary allowance stops. However, the GOAI payments will begin. In most cases, total retirement income will be increased. (See chart No. 9 on page 4)

2 — Those who join the new plan but do not attain annuitant status.

WHAT WILL THE NEW PLAN COST?

You will contribute four per cent (4%) of your pay. A part of this 4% will be used to help improve your pension and the remainder will provide other benefits (insurance, annuitant medical care). Your contribution toward pension improvements is deductible from your taxable income.

SUSPENSION OF PAYMENTS:

Once you join the plan you will not be allowed to suspend payments for any reason. No money under this plan will be available to you until you retire or leave the company's service.

ADVANTAGES OF JOINING NOW:

The last day on which you can sign up for the new plan is May 31, 1965. If you join the new plan after this date, you will lose because:

1 — Your pension for past service will not be based on your 1964 income. Instead it will be based on your actual earnings minus Fls. 1320 per year. (See Chart No. 10 on page 4)

As you can see from the chart, the amount of credit you will receive, especially for service prior to Jan. 1, 1965, is considerably reduced if you join after May 31, 1965.

2 — You will receive no credits for service from Jan. 1, 1965 until the date you join.

(Continued on page 8)

Future Service (After 12-31-'64)

YEARLY BASIS

(Yearly Earnings - Fls. 1320) x 2%

MONTHLY BASIS

(Monthly Earnings - Fls. 110) x 2%

Chart No. 4

(Continuacion Plan di Pension)

ASEGURO DI BIDA

- Costo Fls. 4.40 pa luna (50 c. pa 1000)
 - Suma basico cu aseguro ta cubri ta Fls. 8800.
 - E Suma por ser aumentá te un anja di pago.
 - Empleadonan soltero por aumenta e suma di pension dentro di 30 dia despues tu nan casa.
- (Chart No. 5)

4. Aseguro pa pensionista, cual ta inclui beneficionan pa gasto medico pa pensionista y su esposa.

SPLICACION: Empleadonan cu retira cu pension bao e plan nobo por tambe registra pa e aseguro pa pensionista. E suma di aseguro aki ta equivalente na e suma di aseguro na vigor ariba e ultimo dia di trabao. Un anja despues di retiro normal cu pension (edad 60), e aseguro ta rebaha cu diez porciento (10%) pa anja te ora el yega cincuenta porciento (50%). Na edad di sesenta y cinco (65), e pensionista lo tin aseguro igual na 50% di e suma cu el tabatin ariba su ultimo dia di trabao. (Mira Chart No. 6)

Binti-cinco (25%) porciento di aseguro pa pensionista por ser usá door di e pensionista y su esposa pa cubri gastonan medico durante su bida despues di bai cu pension. Un splicacion di e clase di gasto medico y e suma cu ta ser paga back lo ser publicá. E 25% ta basá ariba e aseguro na vigor na tempo di retiro cu pension y no ta ser afectá door di e 10% di reduccion pa

ASEGURO PA PENSIONISTA *

- | | |
|------------------------------|------------------|
| 1er Anja di Pension Normal — | Fls. 8800 — 100% |
| 2do Anja di Pension Normal — | Fls. 8000 — 90% |
| 3er Anja di Pension Normal — | Fls. 7100 — 80% |
| 4to Anja di Pension Normal — | Fls. 6200 — 70% |
| 5to Anja di Pension Normal — | Fls. 5300 — 60% |
| 6to Anja y anjanan despues — | Fls. 4400 — 50% |
- (Calculá mas arriba te na Fls. 100 mas cerca)
- * Esaki no ta reemplaza e Plan di Beneficio pa Sobreviviente actual.
- (Chart No. 6)

BENEFICIONAN PA GASTONAN MEDICO — PA PENSIONISTA

(Ehempel: Aseguro na vigor ultimamente como empleado: Fls. 8800)
SUMA disponibel pa Beneficionan Medico :

25% di Fls. 8800 = Fls. 2200
Calculá arriba te
Fls. 500 mas cerca = Fls. 2500
Esaki NO ta un suma anual. Esaki ta e SUMA TOTAL disponibel durante henter BIDA DI E PENSIONISTA (pa su mes y su esposa)?

(Chart No. 7)

anja despues di edad di 60 anja. (Mira Chart No. 7)

Life Insurance

- Cost Fls. 4.40 Per Month (50 c/1000)
- Fls. 8800 Basic Coverage.
- Can be Increased to One Year's Pay.
- Single Employees can Increase Coverage within 30 days of marriage.

Chart No. 5

SEIS ANJA DI PENSION GARANTIZADA

- Pension Ta Garantizá pa 6 anja.
- Protección Ta ser Duná na Sobrevivientenan.
- Pago ta ser hací ma sobrevivientenan of herencia, si bo muri promer di cobra bo pension pa 6 anja.

(Chart No. 8)

(Continua na pagina 6)

Temporary Allowance

Fls. 40 per month at age 60

Discounted for Earlier Retirement

Pension Not Reduced at Age 65

Fls. 110/mo. (Fls. 1320/yr) not used to

Calculate Retirement Income

Chart No. 9

Advantage of Joining Now

Example: Employed 1-1-54 — Fls. 500/mo.

Salary Range Fls. 500—800

Average Salary — Fls. 650/mo.

Join Now:

Annuity credits - Past Service - Fls. 1366.20/yr.

Join Late:

Annuity credits - Past Service - Fls. 1069.20/yr.

Difference - Fls. 297/yr. at age 60

or

Fls. 24.75/mo. at age 60

Chart No. 10

Questions and Answers About Lago's New Annuity and Insurance Plan

- (1) Q. Can an employee who resigns before reaching the age of 49 leave the amount he has contributed as an employee in the New Plan?
A. No, but he will receive the total amount of his contributions plus interest, minus life insurance premiums paid, because at age 49 or less, an employee does not attain annuitant status as is required by the New Plan. However, if he has 15 years or more of service he will receive deferred pension under the 1948 Plan.
- (2) Q. If an employee joins the New Plan on or before May 31, 1965, does he have to make contributions retroactively to Jan. 1, 1965?
A. No, but it would be advisable for him to do so, otherwise he will not receive credit for the months between Jan. 1, 1965 and the date he signs up.
- (3) Q. If an employee is discharged before age 50, will he receive his pension under the New Plan?
A. No, an employee that is discharged before age 50 does not attain the status of annuitant and therefore will not receive pension under the New Plan. He will only get back his contributions plus interest, minus life insurance premiums paid. However, if the employee has 15 or more years of service, he will receive deferred retirement income under the 1948 Plan.
- (4) Q. Can an employee who has joined the New Plan withdraw from it later while still employed?
A. No. If an employee had the option of withdrawing from the New Plan after he has joined it, his monthly contributions would NOT be tax exempt which is the case now.
- (5) Q. Will the amount of an annuitant's retirement income increase at age 60, if he had retired earlier and elected a discounted pension?
A. No, once an employee receives a discounted pension the amount will never change.
- (6) Q. If an employee dies before becoming an annuitant, will his survivors receive survivor benefits and insurance?
A. Yes, his survivors will receive survivor benefits under the present Survivor Benefit Plan and insurance under the present Group Life Insurance. If the deceased employee was a participant in the New Plan, his survivors will receive an amount of insurance of at least Fls. 8,800.
- (7) Q. Does the medical insurance cover hospitalization?
A. Yes, it covers hospitalization and certain other medical expense up to 25% of the annuitant insurance rounded upward to the nearest Fls. 500.
- (8) Q. If an annuitant never uses his medical benefit, can he make a cash withdrawal from the medical insurance fund?
A. No, it is intended as a medical expense and death benefit.
- (9) Q. Can an employee join the insurance plan without participating in the pension plan?
A. No. It is a single contribution to the new plan.
- (10) Q. Does the life insurance apply to an annuitant who lives outside of Aruba?
A. Yes.
- (11) Q. Will the medical expenses incurred by an annuitant under the New Plan be refunded on a reimbursement basis, or must the attending physician submit a claim?
A. All medical expenses covered by the New Plan will be refunded on a reimbursement basis exclusively. Claims forms will be available.
- (12) Q. What effect will the group life insurance under the New Plan have on the existing group life insurance for employees?
A. None. The life insurance under the New Plan is additional life insurance for the employee.
- (13) Q. If an employee retires at age 58, is he entitled to the pension as of age 60?
A. No, the retirement income of all employees retiring before age 60 is discounted.
- (14) Q. Can an employee who resigns after 15 years of service but is less than 50 years of age, claim pension when he reaches age 60?
A. Only under the 1948 Plan. He will receive no pension under the New Plan because he will not attain the status of annuitant as required under the New Plan if he resigns before age 50.
- (15) Q. I understand that of my plan contribution, 4% of my pay in excess of 110 florins per month goes toward the cost of my pension benefits. Can this allocation ever change?
A. Yes, if the GOAI, presently Fls. 55 per month for a single person, changes, the portion of your plan contribution going for pension will change. It will always be based on your pay in excess of twice the GOAI benefit for single persons. The balance of the 4% contribution will then go toward purchase of life insurance.
- (16) Q. Will the survivors of an employee who dies before reaching age 50 receive the employee's contributions under the New Plan?
- (17) Q. If the employee retires at age 50, is his pension guaranteed under the New Plan in case of death?
A. Yes, for a minimum of 5 years, discounted for age 50.
- (18) Q. Is the temporary allowance under the New Plan payable to an employee who is retired at age 50 with annuitant status?
A. Yes, but the allowance will be discounted for age 50.
- (19) Q. Why is the amount Fls. 110 "deducted" from an employee's monthly salary, before calculating his retirement income?
A. The amount of Fls. 110 is not deducted from an employee's monthly salary, but is merely a formula for recognizing in advance the Government Old Age Insurance (GOAI), which is Fls. 55 per single person, commencing at age 65, under present law.
- (20) Q. On what salary will the contributions be calculated?
A. On an employee's normal monthly earnings.
- (21) Q. Why is an employee penalized if he signs up after May 31, 1965?
A. All pension and insurance plans are based on large groups of employees joining immediately and sharing the costs.
- (22) Q. Can an employee borrow money from his Thrift Plan for paying retroactive contributions under the New Plan?
A. No, retroactive contributions can only be made through Payroll deductions.
- (23) Q. What benefits will an employee with 15 years or more of service who has joined the New Plan in January, 1965, receive if he is laid off now?
A. If the employee is laid off and retires with annuitant status in accordance with the New Plan, he will receive all benefits under this Plan. However, if he does not acquire the status of annuitant, he will be refunded all the contributions he has made to the New Plan plus interest, minus life insurance premiums paid, and receive deferred retirement income under the 1948 Plan.

(Continued on page 8)

Pregunta y Contesta Ariba E Plan Nobo di Pension y Aseguro

- (1) P. Ta posibel pa un empleado cu kita promer di yega edad di 49 anja laga e suma cu el a contribui como un empleado den e Plan Nobo?
- C. No, pero el lo recibi e suma total di su contribucionnan plus interes, menos premio pa aseguro di bida paga, pasobra na edad di 49 anja of menos, un empleado no ta atene e estado di pensionista manera e Plan Nobo ta requeri. Sinembargo, si e tin 15 anja of mas di servicio, el lo recibi pension aplaza bao e Plan di 1948.
- (2) P. Si un empleado join e Plan Nobo ariba of promer cu Mei 31, 1965, lo el mester haci contribucionnan retroactivo te Januari 1, 1965?
- C. No, pero lo ta consehabel pe haci esey, sino el lo no recibi credito pa e lunanan entre 1/1/65 y e fecha cu el firma.
- (3) P. Si un empleado ser kita promer cu edad 50, lo e recibi su pension bao e Plan Nobo?
- C. No, un empleado cu haya su retiro promer cu edad 50 no ta atene e estado di pensionista y pesey el lo no recibi pension bao e Plan Nobo. Solamente el lo haya back su contribucionnan plus interes, menos premio pa aseguro di bida paga. Sinembargo, si e empleado tin 15 of mas anja di servicio, el lo recibi pension aplaza bao e Plan di 1948.
- (4) P. Ta posibel pa un empleado cu a join e Plan Nobo sali for di e Plan despues mientras ainda el ta emplea?
- C. No, Si un empleado tabatin e opcion pa sali for di e Plan Nobo despues cu el a join, su contribucionnan mensual lo NO ta liber for di belasting manera ta e caso awor.
- (5) P. Lo e suma di e entrada di pension di e pensionista aumenta na edad di 60 anja, si el a retira promer y a eligi pa tuma un pension cu descuento?
- C. No, una vez cu un empleado recibi un pension descontado, e suma lo no cambia jamas.
- (6) P. Si un empleado muri promer di bira un pensionista, su sobrevivientenan lo recibi beneficionan di sobreviviente y aseguro?
- C. Si, su sobrevivientenan lo recibi beneficionan di sobreviviente bao e Plan di Beneficio pa Sobre-viviente actual y aseguro bao e presente Aseguro di Bida en Grupo. Si e empleado difunto tabata un participante bao e Plan Nobo, su sobrevivientenan lo recibi ademas un suma di aseguro di por lo menos Fls. 8,800.
- (7) P. E aseguro medico ta cubri hospitalizacion tambe?
- C. Si, el ta cubri hospitalizacion y cierto otro gasto medico te 25% di e aseguro pa pensionista, calcula te na e Fls. 500 cu ta mas arriba y mas cerca.
- (8) P. Si un pensionista nunca a usa su beneficio medico, el por lamta placa for di e fondo di aseguro medico?
- C. No. E ta intencionada como un beneficio pa gasto medico y morto.
- (9) P. Ta posibel pa un empleado join e plan di aseguro sin participa den e Plan di Pension?
- C. No. E ta un solo contribucion na e plan nobo.
- (10) P. E aseguro di bida ta aplica pa un pensionista kende ta biba pafor di Aruba?
- C. Si.
- (11) P. E gastonan medico haci door di un pensionista bao e Plan Nobo lo ser paga back na e pensionista of ta e dokter cu a trata e pensionista mester manda su cobranza?
- C. Tur gastonan medico cubri pa e Plan Nobo lo ser paga back na e pensionista exclusivamente a base di e comprobantes cu el ta presenta. Formulario pa reclama pago back ta disponibel.
- (12) P. Ki efecto e aseguro di bida en grupo bao e Plan Nobo lo tin arriba e aseguro di bida en grupo cu tin awor pa empleadonan?
- C. Ningun efecto, pasobra e aseguro di bida bao e Plan Nobo ta fuera y ademas di e aseguro di bida en grupo actual pa empleadonan.
- (13) P. Si un empleado retira na edad di 58 anja, lo el tin derecho arriba e pension mescos cu na edad di 60 anja?
- C. No, e entrada di pension di tur empleado cu retira cu pension promer cu edad di 60 anja ta ser descontada.
- (14) P. Ta posibel pa un empleado cu ta kita despues

Formula pa Calcula Entrada di Pension pa Empleadonan Paga na Florin Bao e Plan Nobo di Pension y Aseguro

(1) PA SERVICIO PASADO (Promer cu Jan. 1, 1965)

(Ganamento pa 1964 menos Fls. 1320) x 1½ % x anjanan di servicio credita promer cu 1/1/65

(2) PA SERVICIO DEN FUTURO (Despues di Dec. 31, 1964)

Ganamentonan total despues di 12/31/64 menos Fls. 1320 pa cada anja pa cual el a haci contribucionnan) x 2%.

(3) ABONO TEMPORARIO : Fls. 40 pa luna entre edad 60 y 65,

basá arriba e ley actual.

Si un empleado a firma pa e Plan Nobo promer cu Mei 31, 1965, y luego ta bai cu pension como un pensionista, su entrada total di pension pa luna PROMER cu el a yega edad di 65 anja lo ta : (1) plus (2) parti den 12) plus (3).

Ora el yega edad di 65 anja, e abono temporario bao No. (3) aki riba, lo ser descontinua y su pension total pa luna lo ser calcula manera ta sigui :

PENSIONISTA CASA : (1) plus (2) parti den 12) plus Pension di Aseguro

di Gobierno di Fls. 95/luna.

PENSIONISTA SOLTERO : (1) plus (2) parti den 12) plus Pension di

Aseguro di Gobierno di Fls. 55/luna.

(Basá arriba Pension di Biehez di Gobierno completo segun e ley actual)

Ademas di loke ta menciona aki riba, e plan nobo tin e siguiente ventahanan :

- (1) Aseguro di Bida en Grupo pa Empleado cu Fls. 8,800 como minimo.
- (2) Aseguro di bida y medico pa e pensionista y su esposa.
- (3) Seis anja di pension garantiza.

C. Si, pero e abono lo ser descontada pa edad di 50 anja.

(19) P. Pakiko e suma di Fls. 110 ta ser "kita" for di salario mensual di empleado promer di calcula su entrada di pension?

C. E suma di Fls. 110 no ta ser kita for di un empleado su salario mensual, pero ta solamente un formula pa reconoce di antemano e Aseguro di Pension di Biehez di Gobierno, cual ta Fls. 55 pa un persona soltero cuminzando na edad di 65 anja, bao e ley actual.

(20) P. Ariba ki salario e contribucionnan lo ser calcula?

C. Ariba e ganamento normal pa luna di un empleado.

(21) P. Pakiko un empleado ta ser penaliza si e firma despues di Mei 31, 1965?

C. Tur plannan di pension y aseguro ta basá arriba participacion di gruponan grandi di empleadonan inmediatamente pa nan comparti e costo.

(22) P. Ta posibel pa un empleado presta placa for di Thrift Plan pa paga contribucionnan retroactivo bao e Plan Nobo?

C. No, contribucionnan retroactivo por ser haci solamente via deducion for di pago.

(23) P. Ki beneficionan un empleado cu tin 15 anja of mas di servicio kende a join e Plan Nobo na Januari 1965 lo recibi si e haya layoff?

C. Si e empleado haya layoff y ta bai cu pension como un pensionista di acuerdo cu e Plan Nobo, el lo recibi tur e beneficionan bao e Plan. Sinembargo, si e no atene estado di pensionista, el lo ser paga back tur e contribucionnan cu el a haci na e Plan Nobo, plus interes, menos pre-

(Continua na pagina 7)

(Continuacion Plan di Pension)

hez di Gobierno ta drenta na vigor.

SPLICACION: Pa suplementa e entrada di e pensionista mas, un abono temporario ta ser agregá na su pension entre edad di retiro cu pension y edad di 65 anja bao e ley actual. Na edad di 65 anja, e abono temporario aki ta stop. Sinembargo, e pago di Aseguro di Bievez di Gobierno lo cuminza — bao e ley actual. Den mayoria caso, e total di entrada di pension lo ser aumentá. (Mira Chart No. 9)

ABONO TEMPORARIO

Fls. 40 pa luna na edad di 60 anja.
Descuento pa Pension Avanzá.
Pension no ta ser reduci na Edad di 65.
Fls. 110/luna (Fls. 1320/anja) no ta ser usa pa calculá entrada di pension.

(Chart No. 9)

KIKO MI TA PERDE SI MI NO PARTICIPA DEN E PLAN NOBO?

Si bo no participa den e plan nobo, ainda lo bo ta cubri bao e plan bieuw (di 1948). Sinembargo, bo mester corra cu lo no tin ningun mehoracion na e plan di 1948. Si bo keda den e plan bieuw, lo bo tin:

- 1 — Ningun mehoracion den entrada di pension.
- 2 — Ningun aseguro di bida nobo pa empleado.
- 3 — Ningun aseguro di bida pa pensionista.
- 4 — Ningun beneficionan pa gasto medico pa pensionista y esposa.
- 5 — Ningun pagonan di pension garantizada.

CORDA: Plannan generalmente ta ser mehorá cada 10 te 15 anja. Ta posible cu e plan nobo aki por ser mehorá promer cu hopi empleadonan actual lo retira cu pension.

KENDE LO SER CUBRI DOOR DI E PLAN DI 1948?

- 1.— Esnan cu no ta desea di participa den e plan nobo.
- 2.— Esnan cu drenta e plan nobo, pero

cu no ta atene estado di pensionista.

KIKO E PLAN NOBO LO COSTA?

Abo lo contribui cuatro porciento (4%) di bo pago. Un parti di e 4% aki lo ser usá pa yuda mehora bo pension y e resto lo percura pa otro beneficionan (aseguro, cuido medico pa pensionista). Bo contribucion pa mehoracion di pension por ser kitá for di bo entrada arriba cual inkomstenbelasting ta ser cobrá.

SUSPENSION DI PAGONAN:

Una bez cu bo participa den e plan, lo bo no ser permití pa suspende pagonian pa ningun motibo. Ningun placa bao e plan aki lo ta disponibel pa bo, sino te ora bo retira cu pension of laga servicio di compania.

VENTAHANAN DI JOIN AWOR:

E ultimo dia arriba cual bo por firma pa e plan nobo ta Mei 31, 1965. Si bo drenta den e plan nobo despues di e fecha aki, lo bo perde, pasobra:

1— Bo pension pa servicio pasado lo no ser basá arriba bo entrada di 1964. Envez di esey, e lo ta basá arriba bo ganamentonan na vigor menos Fls. 1320 pa anja. (Mira Chart 10)

Manera bo por mira for di e chart aki riba, e suma di credito cu bo lo recibi, especialmente pa servicio promer cu Jan. 1, 1965, ta ser reduci considerablemente si bo join despues di Mei 31, 1965.

2— Lo bo no recibi ningun credito pa servicio for di Jan. 1, 1965 te e fecha cu bo join.

3— Si awor bo ta mas bieuw cu 30 anja y no join promer cu Mei 31, 1965, lo bo no ta eligibel pa aseguro di bida pa pensionista ni aseguro pa gastonan medico.

CONTRIBUCION RETROACTIVO:

Si bo no a autoriza Depto. di Comptroller's pa kita bo contribucionnan efectivo Jan. 1, 1965, of si bo a autoriza nan y desde e tempo a cancela bo contribucionnan, ainda bo por ser cu-

Six Years Guaranteed Pension

1. Pension Guaranteed for 6 Years.
2. Provides Protection for Survivors.
3. Paid to Survivors or Estate if you die Before Collecting Your Pension For 6 years.

Chart No. 8

VENTAHANAN DI DRENTA E PLAN AWOR

Ehempel:

Empleá 1-1-54 — na Fls. 500/luna
Salario ta varia entre Fls. 500 y Fls. 800

Salario Promedio — Fls. 650/luna.

SI DRENTA AWOR: ta recibi:
Credito di Pension pa Pasado Servicio menos Fls. 1366.20/anja

SI DRENTA LAAT: ta recibi:
Credito di Pension pa Pasado Servicio menos Fls. 1069.20/anja

Diferencia — Fls. 297/anja na edad di 60 anja

of

Fls. 24.75/luna na edad di 60 anja.

(Chart No. 10)

bri door di e Plan Nobo, cuminzando Jan. 1, 1965. Pa haci esaki, lo bo mester paga contribucionnan retroactivo. Esaki ta nifica, cu si bo join e Plan promer cu Mei 31, 1965, bo por haci arreglo pa laga bo contribucionnan ser

kitá na cuota for di bo pago entre e tempo cu bo firma y e fin di 1965.

COM E PLAN NOBO TA COMPARA CU E PLAN BIEUW?
(Mira Chart No. 11)

COMPARACION DI BENEFICIONAN PLAN DI 1948

1 1/2 % di Ganamento durante Servicio

Ningun Pension Garantiza.

PLAN NOBO

1. Servicio Pasado — ta aumenta for di 1 1/2 % di ganamento pa servicio pasá no 1 1/2 % di Ganamento di 1964.

2. Futuro Servicio — ta aumenta for di 1 1/2 % te 2%.

3. Aseguro Medico — Pa Pensionista y Esposa.

4. Aseguro di Bida

— Minimo Fls. 8800
— Maximo Un Anja di Pago.

5. Seis Anja di Pension Garantizada.

6. Abono Temporario.

(Chart No. 11)

Annuitant Insurance*

1st Year Normal Retirement - Fls. 8800 - 100%

2nd	"	"	-	8000	-	90%
3rd	"	"	-	7100	-	80%
4th	"	"	-	6200	-	70%
5th	"	"	-	5300	-	60%
6th and subsequent years	-			4400	-	50%
<i>(Adjusted Upwards to the Nearest Fls. 100)</i>						

* Does not replace Survivor Benefit Plan

Chart No. 6

Medical Expence Benefits-Annuitants

Example : Ins. Last in Effect as Employee :
Fls. 8800

Available for Medical Benefits

25% of Fls. 8800 = Fls. 2200

Rounded Upward - Nearest 500 = Fls. 2500

This is NOT a Yearly Amount. It is the TOTAL AMOUNT available THROUGHOUT THE ANNUITANT'S LIFETIME.

Chart No. 7

Questions and Answers Continued

(24) Q. What is the minimum years of service and age an employee must have in order to qualify for benefits under the New Plan?

A. An employee, to be eligible under the New Plan, must have at least 15 years of service and must be at least 50 years old.

(25) Q. Does the medical insurance under the New Plan cover medical expenses incurred by the annuitant in Aruba only?

A. No, the medical insurance also applies to medical expenses incurred by an annuitant outside of Aruba.

(26) Q. Will an employee who has contributed to the New Plan for only two years receive the same benefits as an employee who has contributed for 20 years?

A. If both attain the status of annuitant as prescribed by the New Plan they will both receive the same types of benefits. However, the employee who has contributed for only two years will receive a smaller retirement income because this income will be based on 1½% of his 1964 earnings in recognition for service prior to 1/1/65 and on 2% of earnings received between this date and the effective date of his retirement on 1/1/67. (He has contributed only 2 years since the New Plan became effective 1/1/65).

The employee who has contributed for 20 years will receive a bigger retirement income since this income will be based on 2% of his actual earnings between 1/1/65 and 1/1/85.

(27) Q. Who can serve as witness when an employee signs up for the New Plan?

A. The employee's supervisor or any supervisor in the P.R./I.R. Department.

(28) Q. If Lago decides to cease operation, who will pay the annuitant?

A. In such an unlikely event, Lago would most probably engage the services of a local bank or accounting firm or insurance company to administer these payments.

(29) Q. Is it advisable for an employee with 15 years or more of service and at least 50 years old who has received a layoff notice for August 1965 to join the New Plan?

A. Yes, otherwise he will not receive the benefits of the New Plan which are more generous than those under the 1948 Plan.

(30) Q. What are the discount factors that apply to retirement income commencing at ages below 60?

A. Presently these are the discount factors in effect. They are subject to change based on actuarial experience.

Age	Discount Factors
60	1.0000
59	.9170
58	.8430
57	.7760
56	.7160
55	.6610
54	.6120
53	.5670
52	.5270
51	.4890
50	.4550

(31) Q. Can an employee who now has an annual income of more than Fls. 8,800 increase his life insurance to one year's income after May 31, 1965, although he signs up for the New Plan before this date?

A. No. A married employee has a one-time option during the enrollment period prior to May 31, 1965, to increase the amount of his life insurance up to one year's income. However, if the employee is a bachelor, he will also have the option after May 31, 1965, to increase his life insurance up to one year's earnings within 30 days after registration of his marriage.

Continuacion di Pregunta y Contesta

mionan paga pa aseguro di bida, y el lo recibió pension aplaza bao e Plan di 1948.

(24) P. Cual ta e minimo anjanan di servicio y edad cu un empleado mester tin pa e por cualifica pa beneficionan bao e Plan Nobo?

C. Un empleado, pa ser eligibel bao e Plan Nobo, mester tin por lo menos 15 anja di servicio y mester tin edad di por lo menos 50 anja.

(25) P. E aseguro medico bao e Plan Nobo lo cubri gastonan medico cu ta ser haci door di e pensionista na Aruba sol?

C. No, e aseguro medico tambe ta aplica pa gastonan medico haci door di un pensionista pafor di Aruba.

(26) P. Lo un empleado cu a contribui na e Plan Nobo pa solamente dos anja recibi e mes beneficionan cu un empleado cu a contribui pa 20 anja?

C. Si ambos a atene e estado como pensionista manera stipula door di e Plan Nobo nan turdos lo recibi e mes clasenan di beneficionan. Sinembargo, e empleado cu a contribui pa solamente dos anja, lo recibi un entrada di pension mas chikito pasobra e entrada aki lo ta basa arriba 1-½% di su ganamento di 1964 pa servicio promer cu 1/1/65 y arriba 2% di ganamentonan recibi entre e fecha ey y e fecha cu su pension ta drenta na vigor arriba 1/1/67. (El a contribui pa solamente 2 anja, desde cu e Plan Nobo a bira efectivo 1/1/65). E empleado kende a contribui pa 20 anja, lo recibi un entrada di pension mas halto como cu e entrada di pension lo ta basa arriba 2% di su ganamentonan actual entre 1/1/65 y 1/1/85.

(27) P. Kende por sirbi como testigo ora un empleado ta firma pa e Plan Nobo?

C. E hefe di e empleado of cualquier hefe den PR/IR Department.

(28) P. Si Lago decidi pa stop operacionnan, kende lo paga e pensionista?

C. Den tal caso cu ta improbable, Lago muy probable lo busca servicio di un banco local of un firma di accountant of un compania di aseguro pa administra tal pagonian.

(31) P. Ta consehabel pa un empleado cu tin 15 anja of mas di servicio y por lo menos 50 anja di edad y kende a recibi aviso di layoff pa Augustus 1965 join e Plan Nobo?

C. Si, sino el lo no recibi e beneficionan di e Plan Nobo, cual ta mas generoso cu esnan bao di e Plan di 1948.

(30) P. Cual ta e factornan di descuento cu ta aplica pa entrada di pension pa edadnan bao 60 anja?

C. Actualmente esakinan ta e factornan di descuenta na vigor. Nan ta someti na cambio, basa arriba experiencia actuaria.

Edad	Factornan di Descuento
60	1.0000
59	.9170
58	.8430
57	.7760
56	.7160
55	.6610
54	.6120
53	.5670
52	.5270
51	.4890
50	.4550

(31) P. Ta posibel pa un empleado cu awor tin un entraida anual di mas cu Fls. 8,800 aumenta su aseguro di bida te na su entraida anual despues di Mei 31, 1965, aunque el a firma pa e Plan Nobo promer cu e fecha ey?

C. No. Un empleado casa tin un opcion un solo vez durante e periodo di inscripcion promer cu Mei 31, 1965 pa aumenta e suma di su aseguro di bida te na su entraida anual. Sinembargo, si e empleado ta soltero, el lo tin opcion tambe despues di Mei 31, 1965, pa aumenta su aseguro di bida te na un anja di ganamento dentro di 30 dia despues di registracion di su matrimonio.

Formula for Calculating a Florin-Paid Employee's Retirement Income Under the New Annuity and Insurance Plan

(1) FOR PAST SERVICE (Prior to 1/1/65)

$(1964 \text{ earnings less Fls. } 1,320) \times 1\frac{1}{2}\% \times \text{years of credited service prior to } 1/1/65$

(2) FOR FUTURE SERVICE (After 12/31/64)

$(\text{Total earnings after } 12/31/64 \text{ less Fls. } 1,320 \text{ per year upon which he made contribution}) \times 2\%$

(3) TEMPORARY ALLOWANCE Fls. 40 per month between ages 60 and 65 (based on present law)

Thus, if an employee has signed up for the New Plan prior to May 31, 1965, and subsequently retires with annuitant status, his total monthly retirement income PRIOR to reaching age 65 will be : (1) + (2) divided by 12) + (3).

Upon reaching 65, the temporary allowance under (3) above, will be discontinued and his total monthly retirement income will be calculated as follows :

MARRIED: (1) + (2) divided by 12) + GOAI of Fls. 95/mo.

SINGLE: (1) + (2) divided by 12) + GOAI of Fls. 55/mo.

(based on full GOAI payment under present law)

In addition to the above, the new plan has the following advantages :

- (1) Employee Group Life Insurance of minimum Fls. 8,800.
- (2) Life and Medical insurance for the annuitant and his wife.
- (3) Six years guaranteed pension.



Fabian Francis, left, is one of the PR/IR Department staff members who is conducting the information sessions on the New Lago Pension Plan. Other persons participating are Oscar Antonette, Elias Fingal and Carlos De Cuba. When the sessions are completed, every Lago employee will have had the opportunity to participate.

Fabian Francis, robez, ta uno di e miembraan di staf di departamento PR/IR, cu ta conduci e reunionnan informativo ariba e Plan di Pension Nobo di Lago. Otro personan cu ta dirigi e reunionnan ta Oscar Antonette, Elias Fingal y Carlos De Cuba. Ora e reunionnan termina, tur empleado di Lago lo a atende nan.

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Pension Plan Continued

3—If you are now older than 30 and do not join before May 31, 1965, you will not be eligible for annuitant life and medical expense insurance.

RETROACTIVE CONTRIBUTIONS:

If you did not authorize comptroller's to deduct your contributions effective Jan. 1, 1965, or if you did authorize them and have since withdrawn your contributions, you can still be covered by the New Plan starting Jan. 1, 1965. To do this, you will have to pay retroactive contributions. This means that if you join the Plan, before May 31, 1965, you can arrange to have your contributions deducted in installments from your pay between the time you sign and the end of 1965.

HOW DOES NEW PLAN COMPARE WITH OLD PLAN?

(See Chart No. 11)

Comparison of Benefits

1948 PLAN

1 1/2% Career Earnings
No Guaranteed Return

NEW PLAN

1. Past Service — From 1 1/2% Career Earnings to 1 1/2% of 1964 Earnings
2. Future Service from 1 1/2 to 2%
3. Medical Insurance — Annuitant & Wife
4. Life Insurance — Min. Fls. 8800 — Max. One Year's Pay.
5. Six Years Guaranteed Pension
6. Temporary Allowance

Chart No. 11

Pa SEGURIDAD di Majan Join E Plan di Pension Nobo AWE

For A SECURE Tomorrow Join The New Plan TODAY

ULTIMA FECHA PA JOIN E BENEFICIONAN NOBO AUMENTA:
JOINING DEADLINE FOR RECEIVING INCREASED BENEFITS:

MAY 31, 1965